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Overview

For the better part of the past 50 years, the policymaking elite in Washington has come to the same timeless conclusion about America's relations with Europe. The mantra has it that every effort at closer European integration is to be welcomed, if tepidly, as it is assumed that a unified Europe would inevitably be more pro-free market, more pro-Atlanticist, and more pro-American. However, in the wake of the transatlantic divide over the Iraq war and the public diplomacy calamity that has followed, such simplistic analysis does not begin to explain the schism at the heart of the post-Cold War relationship.

Rather than continuing the pattern of merely reacting to fundamental changes in Europe, voicing platitudes from the sidelines, the United States should proactively approach the transatlantic relationship with fixed Burkean principles in mind, seeing the world as it really is, and not as how it might like it to be. For the continent is both more than its sternest critics allege and less than its cheerleaders might like it to be.

During his February 20-24 trip to Europe (where he will meet with President Chirac, along with EU and NATO leaders in Brussels, Chancellor Schroeder in Germany, and President Putin in Bratislava), President Bush will have a genuine opportunity to advance cooperation with European countries on a wide array of issues. However, the trip will only prove to be successful if the President sees beneath the veneer of happy talk in Europe, seeing the situation there as it really is.

First the Good News...

Whatever the global issue -- be it tracking down al-Qaeda, the Doha free trade round, Iran's efforts to develop weapons of mass destruction, the Arab-Israeli conflict, or Iraq -- the United States simply cannot act effectively without the support of at least some European powers. But neither is the world one in which a concert of powers dominates. Whatever the issue, the U.S. remains first among equals. The structural reality makes America's courting of allies vital, for maddeningly the world we live in is not something out of a political science textbook -- it is neither genuinely unipolar nor multipolar.

So if America is chairman of the board, but there are other board members, where is the U.S. to find allies? Both now and well into the future there is really only one place. Europe is the only part of the world where political, diplomatic, military, and economic power can be generated in sufficient strength to support American policies effectively.

The cluster of international powers in Europe -- led by the United Kingdom, France, Germany, Italy, Spain, and Poland -- has no parallel.

Given this reality, it is important for Americans to follow the sage advice offered by a very odd source, the Rolling Stones' Keith Richards. He is reputed to have said to Mick Jagger during one of their periodic spats when Jagger is reported to have threatened quitting, 'It's bigger than the both of us, darling. You'll be back tomorrow.' This is the unsentimental, unromantic geostrategic reality of the dawn of the 21st century. We simply need each other too much to let the genuine disagreements emanating from Iraq derail the only hope for global stability in this dangerous age.

Then reality...

But while European countries remain vital, the EU emperor is often wearing no clothes. Despite rhetoric from the Commission in Brussels, the great European powers rarely agree on the majority of the great global issues of the day. The EU's one-size-fits-all approach does not fit the modern political realities on the continent. European countries have politically diverse opinions on all aspects of international life: free trade issues, attitudes toward NATO, relations with the U.S., and how to organize their own economies. For example, Ireland strongly supports free trade, has a tradition of neutrality, has extensive ties to the U.S. through its history of immigration to the New World and its present as a destination for U.S. Foreign Direct Investment (FDI), and is an advocate for economic liberalization. France, by contrast, is often protectionist, unapologetically statist in organizing its economy, and frequently adversarial in its attitude toward America. Germany falls between the two on issues of free trade and relations with the United States, is more pro-NATO than France but values UN involvement in crises above that of the alliance, and is for some liberalization of its economy in order to retain its corporatist model. This real European diversity will continue to be reflected politically, in each state's control over its foreign and security policy, because a more centralized Europe simply does not reflect the political reality on the ground.

When examining the question of Iraq, the fundamental issue of the past few years, one sees a complete lack of coordination at the European level. Governmentally, the UK strongly supported the U.S., the Schroeder government in Germany was against any use of force whether sanctioned by the UN or not, with France initially holding a wary middle position, favoring intervention only if the UN (i.e., Paris) retained a veto over American actions. It is hard to imagine the three major European powers staking out starker foreign policy positions.

The basic reason for this is obvious: National interests still dominate foreign policy-making at the most critical moments, even for states ostensibly committed to some vague form of supranationalism. For the European powers, Iraq has never been primarily about Iraq. What happens in Baghdad, its geopolitical ramifications, has always been peripheral to European concerns about the war. Iraq has been fundamentally about two things for European states: their specific attitude toward post-Cold War American power and jockeying for power within common European institutions.

Europe remains torn asunder by conflicting points of view on these two critical points. One camp, championed by France, is distrustful of American power and strives to dominate a centralized EU in such a way as to become a rival pole of power to America. The other camp, led by Britain and the Central and Eastern states ('New Europe'), sees American power as something to be engaged and traditionally views a more decentralized Brussels as best for the constituent members of the union.

The EU Constitution and the end of momentum for ever-closer union

Even on the critical question of the future course of the EU -- with Germany for deepening integration and widening membership, the UK for widening membership but not much deepening, and the French stressing the deepening of EU institutions -- one finds a cacophony of voices rather than everyone singing from the same hymnal.

This very disparate political, economic, and military picture of Europe explains why the EU constitution -- the most recent attempt to impose greater control over the European process -- is unlikely to be ratified. According to the Laeken Declaration, which launched the process of writing a new constitution to replace existing treaties, the document would: (1) clarify the division of competencies among the EU, the states, and the people, making the EU more efficient and open; (2) be transparent in order to be more explicable as citizens are brought closer to European institutions in an effort to lessen the democratic deficit; and (3) be a two-way process, with some powers returned to the states and the people while other new competencies were bestowed upon Brussels.¹ It is now clear that these high hopes bear little resemblance to the finished document.

At over 300 pages, written so only a lawyer can understand it and with absolutely no powers being returned to the states or the people, the constitution has failed by the Laeken Declaration's own description. It has ended up as just another opaque attempt at further EU centralization, including the first formal charter of the primacy of EU law over national law, and the creation of common rules on asylum and immigration by majority vote. While national vetoes remain over direct taxation, foreign and defense policy, and financing of the EU budget, the constitution commits the EU members to the progressive framing of a common defense policy. In fact, the document is riven with such contradictions. Many of these discrepancies are to be worked out over time by the European Court of Justice, which has interpretation of the law with the goal of 'ever-closer union' as its mandate. This can readily be seen as an effort at centralization by the back door, a process wholly out of line with the notion of a diverse Europe. Tellingly, the constitution does nothing to provide citizens with any sense of control over the process of European government or the evolution of the EU.²

These egregious flaws explain why the constitution is unlikely to be ratified. Theoretically, any state can nullify the constitution by voting 'no' in a referendum, which

¹ European Union, "The Laeken Declaration," in EUROPA, December 15, 2001, at europa.eu.int/futurum/documents/offtext/doc151201_en.htm (September 17, 2004).

² "The Right Verdict on the Constitution," *The Economist*, June 26, 2004, p.14.

is highly likely. In Britain, traditionally, very skeptical of EU centralization, a large majority of voters are opposed to ratification. In a June 18-19, 2004, YouGov/*Sunday Times* survey of 1,279 respondents, 23 percent favored ratification of the constitution, and 49 percent were opposed.³ Neutralist Ireland has fears about closer EU defense cooperation and voted 'no' in the recent Nice Treaty EU referendum. Voters in the Netherlands, furious at German and French flouting of the economic Stability Pact, also might vote against the constitution. In Poland, a very unpopular pro-EU government could well lose such a vote. The skeptical Danes, who voted against the original version of the 1992 EU Maastricht Treaty could again vote 'no,' both for defense and economic reasons.

Even the French, traditional champions of all efforts at further integration, might vote against the constitution. The Maastricht Treaty of 1992, which established the process that led to the European common currency, was undoubtedly a move toward greater centralization of the European project. Yet, the French barely passed the referendum by a margin of less than 1 percent, as many saw it as being skewed toward the advantage of Germany. Frustrated by its very lack of ambition, the French might also vote against the constitution. Surely one or several of these political outcomes is almost certain. If so, American policymakers need to recognize that the EU drive toward ever-closer union has at last decisively sputtered and engaging the Europeans at the national level will be generally be far more effective than engaging the EU.

Seeing Europe As It Would Be: The Euro-Federalist Fantasy

But, for the sake of argument, what if a more centralized Europe was to become a reality? How would a politically unified Europe impact the United States?

It is frightening to imagine what would happen to American interests if the supranational imperative extended further into the foreign and security policy realm. For example, if a Common European Foreign and Security Policy had genuinely functioned in 2003, however badly, then Belgium, France, or Greece (all states with strongly anti-American publics) could have vetoed the UK, Poland, and Italy from aiding America in Iraq. Taken to its extreme, such an outcome could require consensus among all EU states to support a foreign policy objective.⁴

Those who wish to preserve America's ability to pursue coalition building must therefore strenuously oppose efforts to increase the level of EU foreign policy integration. Such an institution would perpetually prevent many European states in a divided EU from working closely with the U.S. to solve global problems.

Indeed, the most prominent casualty of a united European foreign policy would be the Anglo-U.S. special relationship, forcibly consigned to the scrapheap of history.

³ YouGov, "YouGov/Sunday Times Survey Results: The European Constitution," June 18-19, 2004, at www.YouGov.com/YouGov_website/asp_bespollarchives/pdf/omi040101040.pdf (September 17, 2004).

⁴ See John C. Hulsman, Ph.D., and Nile Gardiner, Ph.D., "A Conservative Vision for U.S. Policy Toward Europe," *Heritage Foundation Backgrounder No. 1803*, October 4, 2004.

America's closest ally would be unable to operate an independent foreign policy and stand alongside America where and when it chose to do so. The consequences for American foreign policy would be hugely damaging. Yet with efforts at ever-closer integration increasingly running into difficulty, there is another diplomatic path for the United States to take.

It is important that the President be aware of this very different reality from the one he will doubtless be presented with by the unelected bureaucrats in Brussels. A Europe in which states react flexibly according to their unique interests, rather than collectively according to some utopian ideal, best suits American interests. As a result, the U.S. must engage European states on an issue-by-issue, case-by-case basis to maximize its diplomatic effectiveness, gaining the greatest number of allies for the largest number of missions. The U.S. should use the widest range possible of diplomatic, political, and military tools to advance its general interests in Europe, remembering the continent is vital but generally fragmented on matters relating to foreign and security policy.

The Issues:

Iran

The brewing nuclear crisis in Iran is a practical consequence of the poisoned transatlantic relationship. The Iranian nuclear crisis is a primary instance of both the United States and Europe behaving at its worst; here both sides actually approximate the cartoon versions each has of the other. The EU-3 (UK, France, Germany) currently negotiating with the mullahs are doing a pretty good impersonation of Neville Chamberlain, having wholly divorced diplomacy from any idea of the power that must back it up if it is to prove successful. For example, British Foreign Secretary Jack Straw was unwise to publicly take the threat of force off the table when dealing with Tehran-if sticks are not to be used, what appears to be a negotiation is actually little more than a form of diplomatic surrender.⁵

The administration, on the other hand, having determined that the mullahs in Tehran are evil, disdain to engage them, even as the elephant in the corner of the room becomes more visible. Without direct American involvement in negotiations there is simply no diplomatic chance that the European negotiations to stop Iran acquiring a full nuclear fuel cycle can succeed. This failure will leave the U.S. with only grave choices. To do nothing would likely mean the end of the Nonproliferation Treaty, and could well spur a nuclear arms race in the Middle East. To use air strikes to destroy or at least retard Iran's nuclear program would mean the region itself could well explode, with moderate, pro-American regimes in Jordan, Egypt, and Oman, as well as nuclear-armed Pakistan and economically vital Saudi Arabia being threatened and the Israeli-Palestinian peace process quite possibly coming to an end. This is the worst kept secret in the world, unacknowledged across the Atlantic -- The Islamic Republic of Iran is about to acquire

⁵ Jack Straw, "Foreign Secretary Press Conference With UN Secretary-General," February 10, 2005, at www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Pag...

nuclear weapons. President Khatami of Iran makes it clear that Iran will never give up enrichment. The West has engaged in dueling competitive efforts at futility. This is just too important for Europeans to continue to live in a post-historical sandbox, while America ignores that Rome is burning.

For there are no easy answers where Iran is concerned. Even if America could somehow, some way foment regime change, the dirty little secret remains that Iranians, be they conservative mullahs or student democrats, all want the bomb -- this is not an issue of democracy but of Persian nationalism. Israel will not be reassured if a democratic Iran, still pledged by majority vote to drive the Israelis into the sea, acquires weapons of mass destruction.

Whatever does happen, it is vital that the EU-3 and the United States reach a common diplomatic position regarding the Iranian nuclear crisis. I have worked on this issue with a number of high-level German and American policymakers and we have reached a common understanding of what needs to be done. Iran must: immediately ratify and strictly adhere to the Additional Protocol; commit itself to full cooperation and transparency with the International Atomic Energy Agency (IAEA) to resolve all remaining issues; terminate permanently its pursuit of a full nuclear fuel cycle; terminate permanently any and all programs to enrich uranium and produce uranium hexafluoride and its precursors; terminate permanently all programs to extract plutonium; terminate permanently its pursuit of a heavy water reactor; agree to an intrusive inspections regime (utilizing real-time monitoring equipment) at the Bushehr reactor and associated spent fuel storage pond. Any final agreement should occur within a reasonable time limit, so as to not let the Iranians stall and attempt to split the common Western diplomatic initiative.

Iran's full compliance with these provisions should trigger: a commencement of US-Iranian bilateral negotiations aiming toward a resumption of diplomatic relations between the U.S. and Iran; a commencement of bilateral relations aiming toward a resumption of trade relations between the U.S. and Iran; the support of the U.S. and EU-3 in the accession of Iran to the World Trade Organization (WTO), assuming it meets other normal conditions of membership; a resumption of negotiations between the EU-3 and Iran on an EU-Iran trade and cooperation agreement; the support of the U.S. and the EU-3 in Iran's acquisition of a single light-water nuclear reactor (Bushehr); the support of the U.S. and the EU-3 in providing Iran with access to the international fuel market, at market prices, consistent with G8/Nuclear Suppliers Group (NSG) comparable assurances, with all spent fuel being returned and being reprocessed outside of Iran.

Furthermore, in the case of Iran's formal and verifiable renunciation of any nuclear armament (both offensive and defensive), it should be agreed that a pact of non-aggression should ensue between Iran and all parties to this agreement.

Moreover, it was agreed that there should also, in parallel, be a discussion of major outstanding issues with Iran in which the EU-3 shall act as a host. These include: Iranian recognition of the right of Israel to exist as a Jewish state; an international consensus on opposing terrorism (especially as it pertains to Iran's funding of Hizbollah

and giving sanctuary to al-Qaeda); the establishment of a stable, representative and democratic Iraq; a discussion of Iran's legitimate security concerns; a discussion of Iran's economic concerns, particularly regarding resumption of U.S. Foreign Direct Investment (FDI) with Tehran; a discussion of human rights.

However, should Iran fail to comply with the outstanding nuclear provisions listed above, this will trigger the following actions: the U.S. and the EU-3 shall support the referral of the Iranian nuclear issue to the United Nations Security Council; the EU-3 will immediately adopt a policy of comprehensive sanctions against Iran and seek to press the EU to follow suit; the U.S. will reserve its right to act in a manner appropriate to the situation.

This comprehensive plan illustrates transatlantic cooperation at its best, with the U.S. actively offering carrots for a successful outcome, while the Europeans pledge to threaten Iran with genuine sticks if the talks fail. If such an outcome comes to pass, due to this level of coordination, at least the transatlantic alliance need not be an indirect casualty of the crisis. This plan offers the last, best chance to head off a Cuban Missile-style crisis. It is vital that on this primary security matter, the U.S. and the EU-3 come to some form of genuine coordinated agreement.

Public Diplomacy

Politically, the U.S. must make a massive public diplomacy effort in Europe if it is to retain the ability to consistently engage European countries as allies. The President's upcoming trip (visiting parts of Europe and European leaders who did not agree with the American stance on Iraq), as well as Secretaries Rice and Rumsfelds' recent meetings in Europe, certainly represent an American outstretched hand to the continent, serving as a genuine effort to underline the end of the period of transatlantic tension brought on by the crisis in Iraq.

However, in order to remedy a problem, its true dimensions must be clearly examined. There is little doubt that the U.S.-European diplomatic controversy over Iraq and its aftermath has been a public diplomacy disaster of the first magnitude. While governmental support for U.S. policy in Iraq is still strong in many European countries, public hostility toward American foreign policy remains extremely high. The recently published Gallup *Transatlantic Trends 2004* poll of public opinion in nine major European Union member states⁶ should make disturbing reading for the State Department: 76 percent of those surveyed disapproved of President Bush's international policies, and 75 percent were opposed to the war in Iraq. Most worrying of all, 58 percent of European respondents held the view that strong U.S. leadership in the world is "undesirable."

⁶ The poll, commissioned by the German Marshall Fund of the United States and Campagna di San Paolo of Italy, surveyed public opinion in the UK, France, Germany, the Netherlands, Italy, Poland, Portugal, Slovakia, and Spain. *Transatlantic Trends 2004*, "Transatlantic Trends Overview," at www.transatlantictrends.org, (September 27, 2004).

If Europe is the most likely place for America to find allies well into the new century,⁷ the U.S. must launch a significant public diplomacy campaign on the continent to make such a long-term strategy possible. Indeed, it must become the main focus of global efforts at public diplomacy, as nowhere else in the world will safeguarding American goodwill make such a practical difference. The U.S. must recognize that much of Europe is alienated from the American worldview, be the subject trade, Iraq, or the wider war on terrorism. It may take a generation to fully rejuvenate the transatlantic alliance, and the U.S. must not underestimate the scale of the problem if this new strategy is to work. Unless the public diplomacy tool is used in Europe, the U.S. may have precious few allies with which to work in the future.

Doha Free Trade Round

The EU's Common Agricultural Policy (CAP), which consumes roughly half of its entire budget, is easily the biggest obstacle to bringing the Doha trade round to a successful conclusion. This 50 billion euro abomination dwarfs America's own egregious efforts to protect its agricultural market. After several decades, the world will simply not allow Europe to fashion any more excuses as to why French farmers should not compete in the global marketplace, instead of being cosseted by economically sclerotic, social democratic nanny states.

More importantly, the EU is managing to snatch defeat from the West's ideological victory in the Cold War. After decades of ignoring reality, the developing world at last accepts that capitalism is the way forward (after an extended period of ruinously flirting with *dependencia* excuses as to why they were not growing), that economic progress is impossible without liberal economic policies and the rule of law, and that FDI, far more than the World Bank and the IMF, is to be looked upon as the key to sustained economic development. In other words the West has won; almost everyone now accepts the developed world's nostrums as to how the world economy actually works.

This is what makes the continued evasions in Brussels and Washington tragic. It's as if the West is saying to the developing world, 'We are glad you agree with us that capitalism is the way to successfully grow your economies, but we won't let you trade in agricultural goods, the primary staples of your economy. However, you are welcome to trade in financial services...'

The hypocrisy is as breathtaking as it is dangerous. The leaders of the developing world (and the free-trading stalwarts in the Cairns group led by Australia) have made it clear there will be no deal on global free trade in the Doha Round unless there is an overall agreement allowing for substantial agricultural liberalization. Given that the Japanese economy remains fragile, with the highest government debt to GDP ratio among

⁷ Significantly, this view is supported in the Transatlantic Trends 2004 poll of American public opinion, which reported that 54 percent of Americans see Europe as most important to "American vital interests today." Just 29 percent of Americans surveyed believed that Asia was more important to the United States than Europe.

developed countries, German unemployment is over 5 million, with eastern Germany falling ever farther behind western Germany despite billions of euros in transfer payments having been made, failure to strike a deal over Doha could well plunge the world into further economic stagnation. Even more importantly, having won over the hearts and minds of the developing world after painful decades of effort, the U.S., and to a larger extent, the EU, will stand rightfully accused of frittering away a vital new consensus regarding how to substantially improve global economic conditions through increased free trade.

Politically, neither the EU nor the U.S. can implement further agricultural liberalization without the other trading region agreeing to synchronized cuts as well. Without an agricultural deal, there is no overall deal for the Doha Round, initially packaged as 'the development round' of global trade talks. According to the Danish Ministry of Foreign Affairs, the WTO has calculated a global welfare gain of up to \$620 billion if all barriers to commodity trade are removed. Forty percent of this would benefit developing countries.⁸ Without such a deal, the train wreck ahead could well spell the end of the WTO as an effective international institution. Even worse, the general multilateral trading system that has brought such prosperity to the world since 1945 could be coming to an end. Trading coalitions of the willing, regional, and bilateral deals between the rest of the world excluding an increasingly isolated EU may become the norm. It is time for France to prove that it does not care more about its farmers playing *boule* than about advancing the economic prospects of the developing world. And only the EU and the U.S. can make Doha happen. It is time to get to work on this most underrated of transatlantic issues.

NATO Reform

Many Europeans, especially those in the Franco-German core, seem to have acquired a congenital disease since the end of World War II -- an inability to diagnose the root causes of major international problems and diagnose policies that can actually ameliorate their effects. The startling suggestion made this week by Chancellor Schroeder about the need to supplant NATO with a new transatlantic security institution is a case in point. Schroeder, without providing any details, said, NATO had ceased to be "the primary venue where transatlantic partners discuss and coordinate the most important strategic issues of the day,"⁹ only to be flatly contradicted by both Secretary Rumsfeld and Jaap de Hoop Scheffer, the Dutch NATO Secretary-General. Faulty European thinking seemed to work like this: (1) we have a transatlantic problem; (2) NATO is the primary transatlantic politico-military institutional link; (3) The institution (NATO) is the problem; (4) We must create a new transatlantic institution.

Meanwhile, back on the planet earth. Blaming the messenger makes no sense. The problem lies primarily among NATO countries, not the institution. Such reforms as are

⁸ Ministry of Foreign Affairs Of Denmark, "International Trade Policy," May 26, 2004, at www.um.dk/en/menu/ForeignPolicy/InternationalTradePolicy.

⁹ Daniel Dombey and Peter Spiegel, "Schroeder's suggestion for review of Nato shocks defense ministers," *Financial Times*, February 14, 2005.

necessary have already begun. The U.S. should continue to press for NATO reform, centered around the concept of increasing the alliance's flexibility through the increased use of the Combined Joint Task Force mechanism (CJTF).

While agreeing with American unilateralists that full, unqualified approval of specific missions may prove difficult to achieve diplomatically with NATO in the new era, I disagree with them about continuing to engage others at the broadest level. As Iraq illustrates, there are almost always some allies who will go along with any specific American policy initiative. In April 1999, the NATO governments ratified the CJTF mechanism that adds a needed dimension of flexibility to the alliance.¹⁰ Until recently, alliance members had only two decision-making options: either agree *en masse* to take on a mission or have one member or more block the consensus required for a mission to proceed. Through the CJTF mechanism, NATO member states do not have to actively participate in a specific mission if they do not feel their vital interests are involved, but their opting out of a mission would not stop other NATO members from participating in an intervention if they so desired.

The new *modus operandi* is a two-way street. In fact, its first usage (de facto) involved European efforts to head off civil conflict in Macedonia. The United States, wisely enough, noted that Macedonia was, to put it mildly, not a primary national interest. However, for Italians, with the Adriatic as their Rio Grande, the explosion of Skopje would have had immediate and direct geostrategic consequences, both by destabilizing a nearby region and causing an inevitable flow of refugees. By allowing certain European states to use common NATO wherewithal—such as logistics, lift, and intelligence capabilities, most of which were American in origin—while refraining from putting U.S. boots on the ground in Macedonia, the Bush Administration followed a sensible middle course that averted a crisis emerging in the alliance.

Beyond the sacrosanct Article V commitment, which holds that an attack on one alliance member is an assault on all members,¹¹ the future of NATO consists of just these sorts of “coalitions of the willing” acting out of area. Such operations are likely to become the norm in an era of a politically fragmented Europe. The CJTF strategy is critical to the development of a *modus operandi* for engaging allies in the new era. Here my strategy confounds the impulses of both unilateralists and strict multilateralists. Disregarding unilateralist attitudes toward coalitions as not worth the bother, the U.S. should call for full NATO consultation on almost every major politico-military issue of the day. If full NATO support is not forthcoming, the Bush administration should doggedly pursue the diplomatic dance, rather than seeing such a rebuff as the end of the process, as many strict multilateralists would counsel.

A CJTF, in which a subset of the alliance forms a coalition of the willing to carry out a specific mission, using common NATO resources, should be the second preference. If this too proved impossible, due to a general blocking of such an initiative, a coalition of the willing outside of NATO, composed of states around the globe committed to a

¹⁰See John C. Hulsman, Ph.D., “Getting Real: An Unromantic Look at the NATO Alliance,” *National Interest*, No. 75 (Spring 2004).

¹¹North Atlantic Treaty Organization, “The North Atlantic Treaty,” April 4, 1949, at www.nato.int/docu/basic/txt/treaty.htm (September 17, 2004).

specific initiative based on shared immediate interests, would be the third best option. Only after exhausting these three options, if fundamental national interests were at stake, should America act alone. By championing initiatives such as the CJTF, the U.S. can fashion NATO as a toolbox that can further American interests around the globe by constructing ad hoc coalitions of the willing, both within and without NATO, that can bolster U.S. diplomatic, political, and military efforts in specific cases.

Chinese Arms Embargo

The European Union's likely lifting of the Chinese arms embargo represents perhaps the biggest fly in the ointment to moving forward with this ambitious transatlantic agenda. There is no way to put this delicately. For the possible reward of a couple of hundred million extra dollars in arms sales, the EU is prepared to increase arms sales to China, put enhanced cooperation over issues of military technology with the U.S. at risk, and bite the outstretched hand the Bush administration is rightly extending to the continent. It is a breathtakingly myopic and stupid policy. The President must privately make grave American concerns about the lifting of the embargo abundantly clear to our European interlocutors.

Based on conversations I've had with leading European officials and the official record, I think it is highly likely the EU will lift the embargo sometime in the spring. There is little doubt that the EU, particularly its major arms exporters France, Italy, and the UK, have been increasingly wooing China, for commercial as well as geopolitical reasons. The EU is now China's largest trading partner: in 2004, trade between the two amounted to almost \$210 billion, an increase of 35% over 2003.¹² Nor is there any doubt that lifting the embargo is a major goal of Chinese foreign policy. One person close to the French Ministry of Defense (MOD) says that, on a recent trip to Beijing, he was pressured on the issue at almost every meeting.¹³ China is particularly interested in obtaining increased high technology (information technology adapted for military command and control, sensing and precision strike) from Europe that could help improve Chinese battlefield management.

Even the remotest possibility that new arms sales could fundamentally alter the strategic balance in the Taiwan Straits must be met in Washington with real alarm. For in the medium-term it is certainly not beyond the realm of possibility that the U.S. could find itself fighting against a better-armed Beijing in the Taiwan Straits. China's arms build-up *vis a vis* Taiwan has only increased, as the People's Republic now has hundreds of ballistic missiles pointing at Taipei.

Nor do EU protestations that they have the matter well in hand ring particularly true. A toughened 'code of conduct' designed to stop any EU country from selling weapons that might upset the regional balance of power would be interpreted by

¹² Charlemagne, "The reds in the West," *The Economist*, January 13, 2005.

¹³ Daniel Dombey and Peter Spiegel, "The EU's bar on selling military equipment to Beijing lacks credibility but Washington believes any change would be irresponsible," *Financial Times*, February 10, 2005.

individual EU countries in a non-binding, voluntary manner. Surely we are not being asked to take France's word, the country pushing hardest to lift the embargo and not coincidentally one of the world's largest arms exporters, that they simply won't increase arms sales to Beijing?

For there is a whiff of geopolitics beneath French commercial concerns. On a visit to Beijing in October 2004, President Chirac declared that France and China shared "a common vision of the world -- a multipolar world."¹⁴ Indeed, for France to ever fulfill the Gaullist fantasy of balancing the United States on the global stage, much closer relations with China are an obvious prerequisite. While this remains highly unlikely, as a recent CIA assessment put it, such a coalition is no longer unthinkable.¹⁵

It is unthinkable that the United States should ignore all this. While in Europe, President Bush should push for an unambiguous transatlantic agreement on forgoing sales that could tilt the strategic balance in the Taiwan Straits, down to listing high-tech weapons systems that would be precluded by such an agreement. Further as my friend Hans Binnendijk suggests, EU states, Japan, and the United States should agree to consult before approving any transfer of military technology to China.¹⁶

Failing this, the U.S. Congress (which was right to overwhelmingly pass a resolution declaring that lifting the embargo would be inconsistent with transatlantic defense cooperation and threatening constraints on the Western defense relationship if the current course is not reconsidered) should curtail technology co-operation with European allies by denying export licensing exceptions, as it is impossible to determine that such technologies would not leak to the Chinese. In addition, European companies determined to have flouted the code of conduct should be subject to U.S. sanctions. Defense cooperation projects between the U.S. and its European allies could be worth billions of dollars, but Europe must understand the depth of America's concern. This issue has the potential to unravel much of the current momentum toward resurrecting transatlantic relations. The President must make the Europeans see that their irresponsible actions could have grave commercial and geopolitical consequences.

A Transatlantic Strategy for the 21st Century

Only by grounding American policy prescriptions in a new, more realistic view of Europe will it prove possible to escape from the reactive nature of recent American efforts to deal with the bewildering continent. During his trip, President Bush should follow Burke's adage of looking at things as they are as a mantra as he visits Belgium, Germany, and Slovakia. By following Burke's adage it becomes clear that "Europe" is less than its admirers claim and more than its detractors admit. It is clear that European

¹⁴ Charlemagne, "The reds in the West," *The Economist*, January 13, 2005.

¹⁵ Daniel Dombey and Peter Spiegel, "The EU's bar on selling military equipment to Beijing lacks credibility but Washington believes any change would be irresponsible," *Financial Times*, February 10, 2005.

¹⁶ Hans Binnendijk, "A trans-Atlantic storm over arms for China," *International Herald Tribune*, February 9, 2005.

countries remain the foundation of all future coalitions that the U.S. can assemble well into the future, with the UK playing a critical role in their formation. It is also true that the United States simply cannot act effectively in the world without at least some European allies, whatever the issue. Furthermore, Europe is not the monolith many Gaullist centralizers would have Americans believe; it shows amazing diversity, whether the issues are economic, military, or political. Europe is ultimately a hodgepodge, and this perfectly suits American interests.

Simply put, a Europe where national sovereignty remains paramount regarding foreign and security policy, where states act flexibly rather than collectively wherever possible, will enable America to engage the continent most successfully. This flexibility, whether in international institutions or in ad hoc coalitions of the willing, is the future of the transatlantic relationship, for it fits the objective realities of the continent; such a Europe is well worth engaging.

This vision for the future of Europe highlights hard-headed American thinking at its best -- looking reality square in the face, and then making it better.

Thank You.